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Breaking through the barriers

Deliver breakthrough outcomes from intelligent automation

APRIL 2023

Most enterprise leaders today recognize that intelligent automation—the next evolution of robotic process automation—has the potential to transform productivity, improve accuracy, reduce costs, and improve customer and employee experiences.

Toward those ends, three in four companies have already implemented some form of robotic process automation (RPA), and 46% plan to implement more advanced artificial intelligence (AI) solutions in the coming years.[1] Yet many organizations indicate that these investments have missed the mark in delivering targeted benefits.[2]

Too often, companies are trapped by walls of their own making. We see four common barriers that limit the success of intelligent automation (IA) initiatives:

- Siloed transformation priorities.
- Old tools misapplied to new challenges.
- Technology initiatives decoupled from process improvement.
- Project metrics misaligned with business goals.

Breakthrough value can only be achieved by breaking through these barriers. In this paper we explore why organizations struggle in these areas— and what leading organizations are doing to deliver more from their automation investments.

Beyond RPA: The path to intelligent automation

First, it is important to understand key distinctions between RPA and IA.

Most leaders understand—and have seen—how RPA can improve operational efficiency as well as customer and employee experience. Simple software "robots" automate rules-based processes, taking over what were once necessary but time-consuming tasks performed by humans.

Intelligent automation technologies become necessary when repetition meets variation. Through the application of AI technologies including machine learning, natural language processing, structured data interaction and intelligent document processing, IA allows more complex and variable processes to be handled automatically. And unlike RPA robots—which remain dedicated to single tasks until updated—IA technologies can learn from the tasks they perform, becoming more adaptable, faster and more effective over time.

Where RPA is constrained by its inability to learn, IA is typically constrained by what it can—or cannot—connect. End-to-end vision for process transformation, coupled with the right data, technologies and metrics, are needed. This is where organizations typically run into barriers as they seek to realize the potential of IA.

Siloed transformation priorities

Improvement initiatives delivered within a single line of business or within narrow functional walls can prevent companies from getting the most out of their IA investments. These initiatives typically are focused on optimizing local processes through solutions that target specific pain points and benefit only the sponsoring group. Siloed priorities are common: As a case in point, 41% of organizations do not have an enterprisewide IA strategy.[3]

Why this happens

Oftentimes, executives have incentives to focus on the issues and metrics only within their own areas, leading to separate transformation agendas across business units and functions. When initiatives are not coordinated—upstream and downstream—impacts and dependencies across end-to-end processes are missed, slowing success and even negating improvements made in other areas.

What leading companies get right

Enterprise, not silo thinking. When cross-functional transformation teams are created with representation across IT and all relevant process areas (e.g., sales, customer service and finance collaborate with IT to transform the order-to-cash process), common pain points, challenges and interdependencies become clear. With an end-to-end lens, teams can build solutions that address the root of the issue, rather than building a combination of "patches" downstream where the impact is felt. **Some companies drive this cross-functional transformation through a user journey approach, where the user could be an end customer or an internal employee.**

Priorities are aligned by:

1. Identifying pain points for users across an end-to-end process (e.g., customer order through payment).

2. Defining upstream root causes for each pain point and prioritizing opportunities based on impacts to customers and employees.

3. Designing a future-state journey that delivers streamlined interactions, better workflows, and embedded intelligence with real-time recommendations that enable employees to make better, informed decisions faster.

4. Determining the changes required to deliver the future-state journey across process, people and technology.

5. Setting a plan to drive adoption, helping users understand how to interact with solutions and get the most out of the transformed experience.

Old tools misapplied to new challenges

In the rush to seize opportunities on the horizon, organizations too often lean into familiar technologies. In the process, they may overlook or shy away from other solutions that can deliver better, more transformational outcomes. These alternate tools include enhancements of existing IT applications that are readily available, "bolt-on" solutions and intelligent technologies such as natural language processing or chatbots, or machine learning and predictive analytics.

Why this happens

It takes investment and time to identify and implement (or build) best-in-class technologies that meet the demands of a specific automation opportunity. Every new technology must integrate with core IT systems without introducing new risks. Leaders who are under pressure to deliver quickly often worry that selecting, learning and adopting a suite of technologies will slow the pace—and in the meantime, business priorities may shift. This creates an incentive to go with what is familiar. The result? A narrow focus on known technologies and systems—even if those "solutions" amount to little more than the proverbial "hammer looking for a nail."
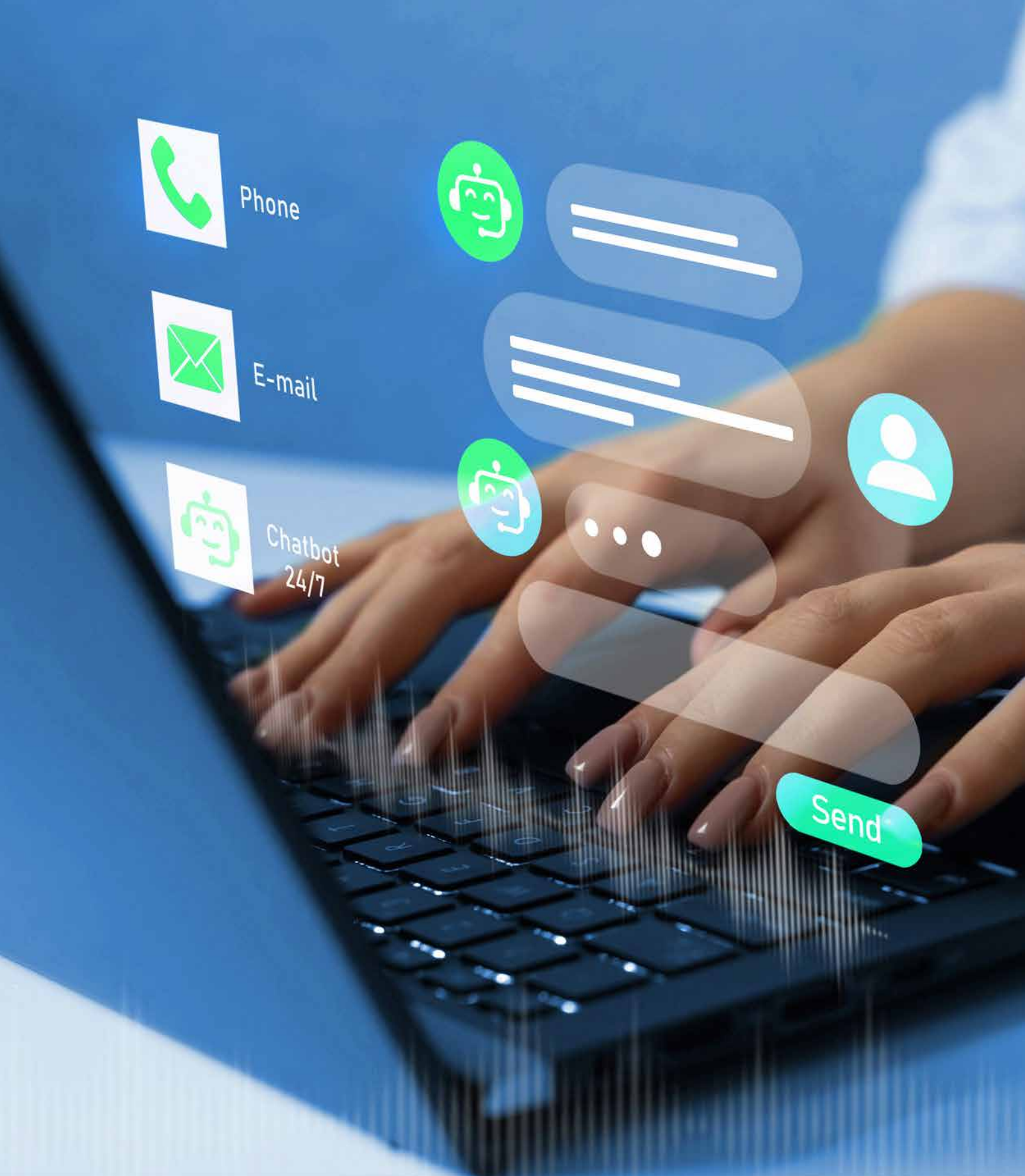
What leading companies get right

They apply the right tools and techniques to change what work is done and how—introducing IA interventions while continuing to utilize available technologies in the enterprise. In the end, they are building solutions with capabilities that:

- Automate rules-based tasks and incorporate more intelligent automation.
- Change the ways users collaborate and engage across teams and deliver intelligent assistants that guide users through simplified workflows, offering insights to provide more customized service—all in line with business priorities.
- Make user interfaces easy and intuitive so people can embrace the changes faster and with more confidence.

Teams with expertise in specific solutions are brought together alongside business stakeholders to take a holistic view of the process and the multitude of available technology options.

Case in point

Medtech firm saves $1 million annually by combining BPM tools with automation tools

At a large medtech firm the central automation program office collaborated across federated business units to identify cross-functional automation opportunities. One such example was its "transfer order request management." The process had involved commercial sales consultants putting in requests for inventory transfers or adjustments via email. From there, a finance back-end team would validate and enter the data into SAP, which would lead to eventual downstream fulfillment by the inventory team. This manual process was time-consuming and prone to errors. Deloitte helped the company design an end-to-end solution that included:

- A user interface to enable digital transfer request capture including error validation.

- IA and business process management (BPM) tools to automate the receipt and adjustment of negative stock, raising replenishment requests and identification of duplicate transfer requests.

- An analytics reporting dashboard for providing metrics on requests and errors to provide timeline insights.

The integrated solution targeted nearly $1 million in annual efficiency gains—seeing benefits through capacity creation and cost avoidance, elimination of variations and error corrections from audit reconciliations, and improvements in the overall user experience for the teams involved.

Technology initiatives decoupled from process improvement

Transformation initiatives that focus on technology solutions alone can overlook opportunities to standardize and streamline processes, and end up building a set of tools for broken or suboptimized processes. Sometimes, companies go as far as automating redundant processes that instead could have been eliminated with upstream process changes.

Why this happens

Oftentimes processes are highly fragmented with handoffs across different teams. In addition, the same process can have multiple variations between business units and regions. This fragmentation positions teams to focus on challenges within an overly narrow piece of an end-to-end process and leads to solutions that typically have limited value and cannot be scaled. In fact, process fragmentation is the No. 1 reported barrier to scaling intelligent automation.[4]
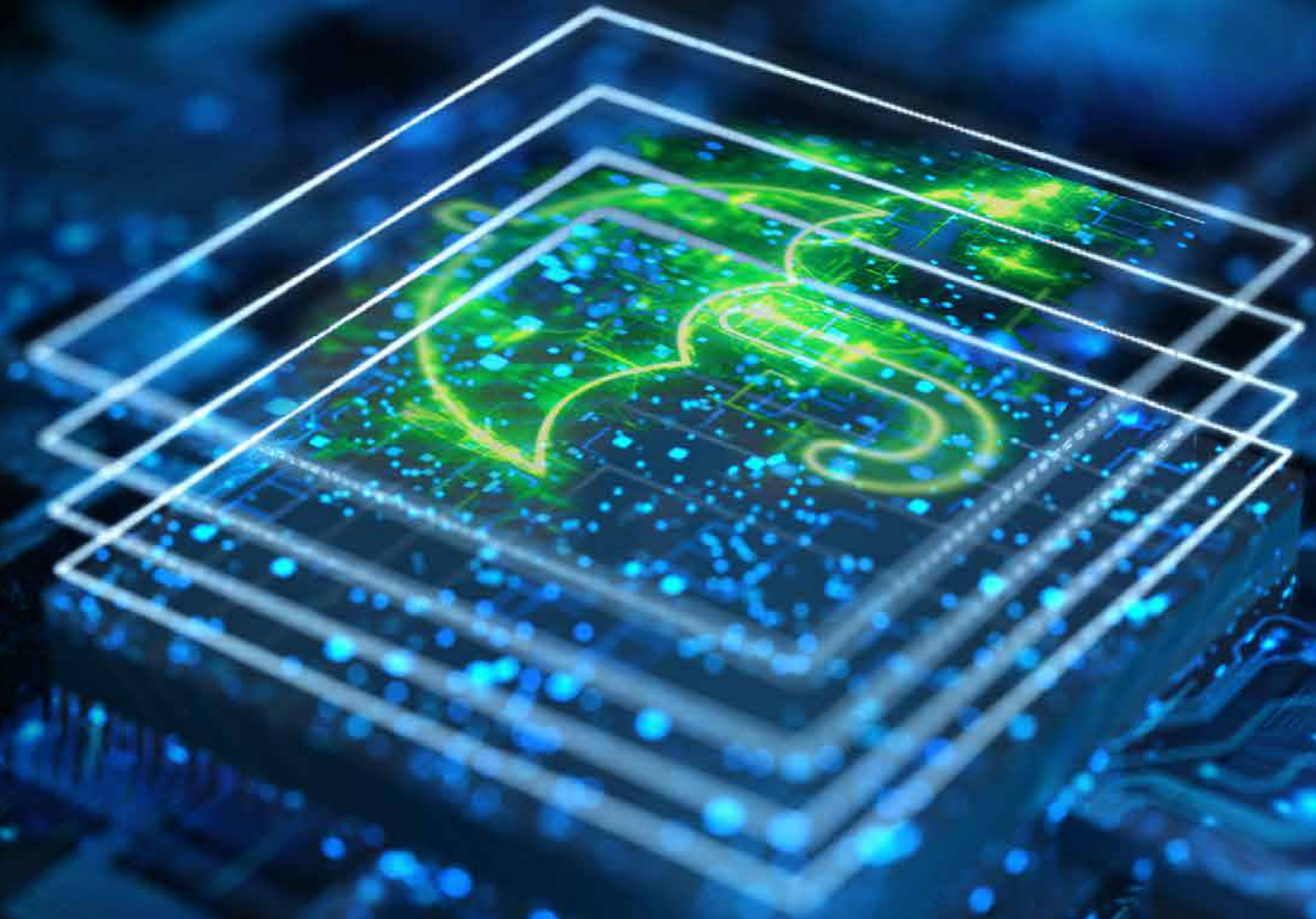
What leading companies get right

The introduction and/or expansion of intelligent automation serves as a catalyst for taking a fresh look at what business problems are being solved and how senior business and IT leaders create excitement around a future-state vision that carries a sense of purpose that goes beyond simply solving point problems.

This momentum fuels a broader spectrum of initiatives that integrates people, process, technology and data. Technology is viewed as an enabler of organizational and process transformation, and the solutions delivered are holistic—for example, empowering people, optimizing processes and driving lasting business value.

Case in point

A health care firm starts with process redesign to create efficiency through digital tools

At a leading revenue-cycle services company, the digital transformation office recognized that process standardization and business transformation were prerequisites to achieving its digital vision. While the company had identified the repetitive, transactional tasks that were candidates for automation, these efforts were difficult to implement because it was servicing its large customer base of health systems through disparate technology platforms and nonstandard processes.

Working with Deloitte, **the company chose to first build the foundation for digital transformation by standardizing technology and processes**—creating best-in-class processes that minimized variability and simplified decision-making. This was followed with implementing a unified technology layer that communicated with individual customer systems, and investments in patient self-service tools and intelligent automation.

The initiatives delivered a market-differentiating patient experience as well as long-term savings from eliminating 12 million touches annually.

Project metrics misaligned with business goals

When it comes to investing in intelligent automation, organizations that target an overly narrow benefit (e.g., labor cost reduction) or focus on metrics that do not translate to business value (e.g., how many bots are deployed) struggle to create meaningful impact.

Why this happens

Tracking a broader suite of potential impacts—such as improved accuracy, better decisions or improved cycle time—requires alignment on both the baseline metrics before the solution is deployed and the data that will be used to capture those metrics. Many organizations struggle to gain this alignment and then to calculate and communicate the impacts. Even organizations that are narrowly focused on cost reduction and revenue impacts struggle to track these measures. According to Deloitte's 2022 Global Intelligent Automation Survey, more than half of respondents have not calculated cost reduction, and 70% have not calculated the increase in revenue expected from the implementation of intelligent automation.[5]

What leading companies get right

Leading companies establish a comprehensive set of measures to evaluate the impact of IA solutions that directly support strategic priorities (e.g., customer growth, profitability, employee retention). They then establish disciplined tracking of these measures and communicate the value delivered broadly across the organization.

The goal of communicating value delivered is not only accountability for investments and support for embedding IA solutions into all transformation initiatives, but also to create a culture of employee confidence in the impact of the new solutions they interact with day to day.

Case in point

Life sciences company connects business priorities to digital transformation metrics

At a large life sciences organization, intelligent automation was labeled an enterprise imperative with a goal of driving more than $350 million in value over a three-year period. Cross-functional teams worked together to develop a framework to facilitate decision-making on priorities, to define how each solution will deliver benefits to the organization, and to track the commitments to ensure they are delivering expected returns.

Working with Deloitte, the organization mapped business metrics to quantitative and qualitative priorities, and then tracked those metrics to core value drivers such as cost savings, speed / performance, compliance and quality to arrive at a **transparent and traceable methodology for calculating the actual value delivered** to the business from IA solutions.

The framework has helped ensure that the program delivers measurable, meaningful value, with clarity into the investments made and the benefits realized. As the program advanced and matured, the organization continued incorporating incremental value drivers and tracking business metrics related to more advanced digital solutions.

Break through the barriers

The horizons of possibility for intelligent automation grow more expansive by the day. But reaching those horizons is impossible if you're stuck in old mindsets and processes, and/or relying on the wrong technologies and metrics.

It takes big-picture thinking, ambitious vision and cross-functional collaboration to drive value through intelligent automation. You can **streamline investments, create operational flexibility and unlock greater value by:**

Reimagining workflows and how teams collaborate and deliver services to create new experiences for customers and employees.

Retooling transformation teams with a broader set of technology capabilities including IA.

Reprioritizing solutions to focus on top opportunities with measurable impacts across the enterprise.

Being aware of the barriers discussed in this paper will help you deliver breakthrough value from your IA investments.

Endnotes

1. Anastasiia Polner, Gina Schaefer, Kartik Thopalli and David Wright, "Global Intelligent Automation Survey," Deloitte Insights, June 30, 2022, https://www2.deloitte.com/us/en/insights/focus/technology-and-the-future-of-work/intelligent-automation-2022-survey-results.html, accessed March 16, 2023.

2. Saurabh Gupta and Phil Fersht, Automation is Back with a Bang!, HFS Research, September 6, 2022, https://www.hfsresearch.com/research/automation-is-back-with-a-bang/, accessed March 16, 2023.

3. Polner et al, "Global Intelligent Automation Survey."

4. Polner et al, "Global Intelligent Automation Survey."

5. Polner et al, "Global Intelligent Automation Survey."

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